

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DEGEN TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION AND DMA
(NNA/USPS-T12-1-5, DMA/USPS-T12-9)

The United States Postal Service hereby provides responses of witness Degen to the following interrogatories of the National Newspaper Association and DMA: NNA/USPS-T12-1-54, and DMA/USPS-T12-9, filed on September 12, 1997.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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September 26, 1997

**Response of United States Postal Service Witness Degen to
Interrogatories of National Newspaper Association**

NNA/USPS-T12-1. Please list the steps the Postal Service has taken to correct the error in IOCS data for within-county identified by you in R94-1 as affecting the volume data used in that case.

NNA/USPS-T12-1 Response.

The error identified in my R94-1 testimony was in the costs. IOCS does not estimate volumes. Please see my R94-1 testimony for a description of the procedure implemented. This procedure has been used in each year since FY 1994.

**Response of United States Postal Service Witness Degen to
Interrogatories of National Newspaper Association**

NNA/USPS-T-12-2. Please refer to the Commission's discussion of the within-county tallies in PRC Op R94-1 at paragraphs 3074-77.

- a. Did the Postal Service quantify the effect of the error on within-county volumes or costs or both for any of the years prior to base year in R94-1?**
- b. If the Postal Service did quantify the effect of the error, please provide the results.**

NNA/USPS-T-12-2 Response.

a-b. No.

**Response of United States Postal Service Witness Degen to
Interrogatories of National Newspaper Association**

NNA/USPS-T12-3. Please list the steps the Postal Service takes to identify periodicals tallies as within-county.

NNA/USPS-T12-3 Response.

See my R94-1 testimony and my response to NNA/USPS-T12-1.

**Response of United States Postal Service Witness Degen to
Interrogatories of National Newspaper Association**

NNA/USPS-T12-4. Please list any differences in the method used in the base year in this case to identify periodicals tallies as within-county compared to the method used for the base year in R94-1.

NNA/USPS-T12-4 Response.

There are no differences in the method used in this case as compared with the method used in my R94-1 testimony.

**Response of United States Postal Service Witness Degen to
Interrogatories of National Newspaper Association**

NNA/USPS-T12-5. Please provide the total number of IOCS raw tallies underlying Cost Segments 3 and 6 (separately) for each year from FY 1986 to FY 1996. For Periodicals Class – In-County mail, please provide the number of IOCS raw tallies underlying Cost Segment 3 and 6 (separately) for each year from FY 1986 to FY 1996.

NNA/USPS-T12-5 Response.

See attachment 1. The data for FY 1987 were not available.

**Response of United States Postal Service Witness Degen
to Interrogatories of National Newspaper Association**

Attachment 1

Table 1. Count of Total IOCS Raw Tallies 1986 - 1996

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Segment 3	482,089	no data	512167	520,710	510,743	499,199	339,268	425,115	425,814	433,804	423,346
Segment 6	322,476	no data	349120	359,685	360,974	357,003	278,769	265,700	256,018	282,080	283,665

Table 2. Count of Periodicals In-County IOCS Raw Tallies 1986 - 1996

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Segment 3	648	no data	660	664	690	609	389	308	307	283	225
Segment 6	577	no data	483	539	517	445	329	193	154	150	125

**Response of United States Postal Service Witness Degen
to Interrogatories of the Direct Marketing Association, Inc.**

DMA/USPS-T12-9. Please refer to your response to OCA/USPS-T12-38(e) in which you state that "since the MODS data on Postal Service mainframes are periodically revised or corrected, the data filed in LR-H-248 is close, but not exactly identical, to that which was used to generate the hard copy summary in LR-H-146, part I."

- (a) Please provide a thorough explanation of why the MODS data are revised or corrected. Please explain (i) what kinds of errors are corrected or revised, (ii) what kinds of errors are not corrected or revised, (iii) how the faulty data are detected, and (iv) how often revisions are made (e.g., each AP, as necessary, twice a year, etc.).**
- (b) What percentage of the data elements have changed since the compilation of the data in LR-H-146, part I, and the creation of the CD-ROM.**
- (c) Is the Postal Service considering making subsequent changes to the data? If so, under what circumstances would such changes occur?**

DMA/USPS-T12-9 Response.

- a. It is my understanding that MODS data are revised by local offices whenever they are discovered to be in error for whatever reason. The exact nature of this review varies by site. The timing of revisions coincides with the upload of current data each accounting period (AP). Any AP in the current or previous fiscal year may be revised.**
- b. The disaggregated workhours data on the CD-ROM contains over 1,500 times more observations than the aggregate workhours in LR-H-146 part I, so it is not possible to determine how many of the data elements on the CD-ROM changed. I compared totals by operation number for MODS operations where the workhours are used to split out compensation totals by LDC to cost pools (i.e., operations in LDCs 11-14, 17-18, and**

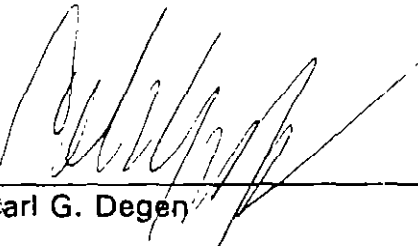
**Response of United States Postal Service Witness Degen
to Interrogatories of the Direct Marketing Association, Inc.**

48). The average percentage revision, weighted by workhours, was 0.09%. Changes were made to 47.8% of the individual operation workhour totals.

c. The MODS data will change as described my response to part a.

DECLARATION

I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



Carl G. Degen

Date: 9-26-97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in dark ink, appearing to read "Eric P. Koetting", is written over a horizontal line.

Eric P. Koetting

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September 26, 1997